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Supreme Court of the United States.

OCTOBER TERM, 1962.

No. 892.

THE O'DAY CORPORATION,
Petitioner,

v.

TALMAN CORPORATION AND TALMAN BIGELOW,
Respondents.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT.

BRIEF FOR RESPONDENTS, TALMAN CORPORATION AND TALMAN BIGELOW, IN OPPOSITION.

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April, 1963.

ADDISON C. GETCHELL & SON, INC., LAW PRINTERS, BOSTON.

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Opinions Below.

The opinion of the District Court (R. 382) is reported at 206 F. Supp. 297. The opinion of the Court of Appeals (R. 409) is reported at 136 U.S.P.Q. 1.

Ground of Jurisdiction Claimed by Petitioner.

The judgment of the Court of Appeals was entered on December 6, 1962 (R. 417). The jurisdiction of this Court rests on 28 U.S.C. § 1254(1).

Questions Presented by Petitioner and Summary of Respondents' Points.

The questions presented by the petition for writ of certiorari (see page 2) may properly be summarized, along with the respondents' answers thereto, as follows:

1. *Whether, on the evidence presented, the District Court and the Court of Appeals both erred in concluding that respondents were not guilty of unfair competition and not in violation of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).* It is our position in opposing the petition that the findings of the District Court and the conclusions of both the District Court and the Court of Appeals are fully supported by the evidence; that on such evidence the District Court and Court of Appeals were amply justified in concluding that respondents were not guilty of unfair competition on any theory advocated by petitioner; and that on such evidence the District Court and the Court of Appeals were fully justified in concluding that respondents had not violated the provisions of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

2. *Whether the District Court and the Court of Appeals both erred in not discussing separately the law of the several jurisdictions in which the alleged acts of unfair competition occurred.* It is our position in opposing the petition that no choice of law question was presented which required a discussion of the laws of the several jurisdictions, because the principles of law in such jurisdictions applicable to the facts in the case at bar are in harmony with the principles laid down by the District Court and the Court of Appeals.

Statement.

The two extensive opinions of the Courts below give a full and accurate summary of the facts in the case at bar.

Except as necessary to a proper understanding of the legal principles involved, we shall not reiterate such facts.

Argument.

I. The District Court and the Court of Appeals did Not Err in Concluding, on the Evidence Presented in the Case at Bar, that Respondents were Not Guilty of Unfair Competition.

Petitioner's contention that respondents' acts constituted unfair competition was rejected by both the District Court and the Court of Appeals, and does not, we respectfully submit, warrant the granting of a petition for a writ of certiorari in the case at bar.

The District Court found as facts that no person had purchased respondents' sailboat believing that he was buying petitioner's sailboat; there was no confusion among prospective purchasers of sailboats as to the source of respondents' boat; prospective purchasers of sailboats exercise particular care and discrimination in buying them; there was no likelihood of confusion on the part of purchasers of boats as to the make they were considering for purchase or as to the identity of its manufacturer; there was no suggestion that respondents were "palming off" their sailboat as that of petitioner or that it was made by petitioner; each of respondents' boats bore a conspicuous label indicating its name and the name of its manufacturer; and respondents' advertising material clearly disclosed the source of its boat (R. 385).

The District Court concluded, on the basis of the evidence presented and the foregoing findings of fact, that the copying or imitation of a competitor's design or product not protected by a patent, copyright or trademark does not constitute unfair competition.

The Court of Appeals concluded that there was "no legal merit" in the charge of outright copying; no buyer could be confused as to source; there was no evidence that petitioner's product had acquired such a reputation or secondary meaning that customers could be deceived as to the source of respondents' sailboat; there was no evidence that purchasers of respondents' sailboat traded on the similarity of the boats in order to obtain benefits from the reputation of the petitioner's boat; petitioner has failed to meet its burden of proof of showing that the information respondent Bigelow learned during his employment by petitioner was confidential in nature. The Court of Appeals concluded:

> "This case seems to us a clear illustration of the general rule that there can be no infringement of a non-patentable and non-copyrightable design. 'Unfair competition' requires something affirmative; it does not automatically pick up what these other recognized rights omit."

Petitioner relies on the misappropriation doctrine laid down in—

> *International News Service* v. *Associated Press*, 248 U.S. 215 (1918).

Petitioner advanced this contention in both Courts below, but neither Court considered this doctrine to be sufficiently applicable to the facts in the case at bar to warrant consideration. Moreover, petitioner sets forth as one of the requirements of this doctrine *direct copying*, which both Courts found below was not present in the case at bar.

A similar argument was advanced in—

> *Cheney Bros.* v. *Doris Silk Corp.*, 35 F. 2d 279 (C.A. 2d, 1929); cert. den. 281 U.S. 728 (1930)—

wherein the Court refused to extend the doctrine of the *International News Service* case and concluded that any such evidence would in effect create a sort of common-law patent or copyright, either of which would flagrantly conflict with the scheme which Congress has for more than a century devised to cover the subject matter. It is clear that, in the absence of a monopoly right such as is conferred by a valid patent, copyright or trademark, the concept of free, competitive enterprise is deemed paramount to the rewards for originality and invention, and relief is merited only in very special circumstances.

Kellogg Co. v. *National Biscuit Co.*, 305 U.S. 111 (1938);
American Safety Table Co., Inc., v. *Schreiber*, 269 F. 2d 255 (C.A. 2d, 1959).

Petitioner also relies on what it describes as the "copying plus" doctrine and cites the same authorities upon which it relied before the Courts below. Both Courts concluded, however, that the cases cited by the petitioner were not applicable to the facts in the case at bar.

Petitioner also contends that respondents' conduct was in violation of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), which requires that there be a "false description or representation, including words or other symbols tending falsely to describe or represent the same, and which cause such goods or services to enter into commerce . . ."

It is clear on the evidence presented, however, that Exhibit 6, which depicts the sailboat that respondent corporation was planning to manufacture and sell, differed in certain respects from petitioner's sailboat, and the lower Courts so found. Furthermore, the District Court found as a fact that there was no evidence that respondents' sailboat was not the same as that which it was advertising,

that there was clearly no false designation of its origin, or that it was a sailboat of inferior quality to that shown in the advertising material.

Petitioner contends that Exhibit 6 is a misrepresentation and harmful to the petitioner, and relies on the case of—

L'Aiglon Apparel, Inc., v. *Lana Lobell, Inc.*, 214 F. 2d 649 (C.A. 3d, 1954).

That case is clearly distinguishable on its facts, and the District Court so concluded. Defendant in that case offered for sale a dress which was noticeably different in appearance from plaintiff's dress; yet defendant advertised its dress by using an actual photographic reproduction of plaintiff's dress. Thus the picture that defendant showed was not a picture of the product that it was offering for sale. In the case at bar, however, respondents' sailboat was exactly as shown and described, and any statements concerning the performance of the photographed product were accurate representations.

We therefore respectfully submit that the Courts below did not err in concluding, on the evidence presented, that respondents were not guilty of unfair competition. Furthermore, the evidence in the case at bar does not present issues which would ordinarily warrant the granting of the petition for a writ of certiorari by this Court.

II. The District Court and the Court of Appeals did Not Err in Not Discussing Separately the Law of the Several Jurisdictions in which the Alleged Acts of Unfair Competition Occurred.

Petitioner contends that both Courts below erred in not considering separately the law of each jurisdiction in which the alleged unfair competition took place. The Courts be-

low decided this case in accordance with clearly-established and well-accepted legal principles applicable in the several states involved. At no time did petitioner show that the law of these states differed from the general principles of law applied by the Courts below.

Even assuming, *arguendo*, that New York law should govern a part of this case, the Court of Appeals ruled that the case of—

> *Metropolitan Opera Ass'n* v. *Wagner-Nichols Recorder Corp.*, 199 Misc. 786, 101 N.Y.S. 2d 483; aff'd 279 App. Div. 632, 107 N.Y.S. 2d 795—

was, "at most, but a limited departure from these general principles, inapplicable to the facts at bar" (R. 413).

Outside the literary field the New York Courts are in accord with all other jurisdictions on the general principles of the law of unfair competition,

> *Norwich Pharmacal Co.* v. *Sterling Drug, Inc.*, 271 F. 2d 569 (C.A. 2d, 1959);
> *Chas. D. Briddell, Inc.*, v. *Alglobe Trading Corp.*, 194 F. 2d 416 (C.A. 2d, 1952);
> *American Safety Table Co., Inc.*, v. *Schreiber*, 269 F. 2d 255, *supra;*
> *Algren Watch Findings Co., Inc.*, v. *Kalinsky*, 197 F. 2d 69 (C.A. 2d, 1952).

No argument was advanced nor any case cited by petitioner at any time showing that the law of the other jurisdictions where the alleged acts of unfair competition occurred differed from the legal principles deemed applicable by the Courts below.

We therefore respectfully submit that the Courts below did not err in not discussing the law of the several juris-

dictions involved. Nor would a different result be reached even if the Lanham Act should be considered as having pre-empted the field so as to render inapplicable the doctrine of—

Erie Railroad Co. v. *Tompkins*, 304 U.S. 64 (1938).

Conclusion.

The present petition discloses no reason for disturbing the judgment of the Court of Appeals affirming the judgment of the District Court. There is no decision of any other Court of Appeals or of this Court which is in direct conflict with the decision of the Court of Appeals herein; this case turns, not upon the importance of the issues claimed by petitioner, but upon the failure of petitioner to present evidence in support of these claimed issues and to sustain its burden of proof. There is, therefore, we respectfully submit, no such special or important issue as to justify the granting of a petition for a writ of certiorari herein. We ask that the petition be denied.

Respectfully submitted,

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April, 1963.